

March 28, 2008

Greg Franklin  
Assistant Executive Officer  
CalPERS  
400 Q Street  
Sacramento, CA 95815

Re: Position on CalRHIO

Dear Greg,

Following the March 18, 2008, meeting of the CalPERS Health Benefits Committee, Kaiser Permanente (KP) was contacted by CalPERS regarding our ability to support the proposed CalRHIO Health Information Exchange (HIE) system by providing answers to the following questions:

- **“Can Kaiser sign an agreement with CalRHIO based defined terms that allow the transfer of CalPERS enrollees health information as described in the CalRHIO proposal as well as accept associated transaction fees?”**
- **“If Kaiser cannot sign an agreement with CalRHIO as stated above why not?”**

KP is the largest integrated health care delivery system in California, comprising health plans, hospitals, medical groups and research facilities. We fully support and promote health information technology including health information exchange (HIE) in California. However, in terms of this proposal, we do not have sufficient information to make an agreement at this time. The information relevant to key issues such as the incremental benefit of this system beyond our substantial current capability to respond with clinical information and consultation to every Emergency Department in the state, privacy and security of enrollee information, and the level of transaction fees has not been made available to us to date.

When we receive the relevant information, we will be pleased to reconsider our position. We appreciate the importance of this issue to both CalPERS and CalRHIO and will continue to work in partnership to chart an appropriate course.

Sincerely,

*Jerry Fleming*  
Senior Vice President  
Kaiser Foundation Health Plan Inc.